THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Some cases of misuse of export benefits to Russia/Moscow have been noticed. However, the financial loss, if any, caused to the exchequer in those cases is not quantified, yet.

(b) Yes, Sir.

(c) and (d) During the last two years, the Enforcement Directorate have taken up investigations in two cases of suspected misuse of Escrow account.

Sluggishness in Primary Market

2455. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Economic Survey has indicated that the primary market remained sluggish during 1996-97;

(b) if so, the broad reasons therefor; and

(c) what steps Government propose to take to improve the market position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. P. VEERENDRA KUMAR): (a) and (b) The general downtrend in the secondary market and the stricter entry norms for companies introduced by the Securities and Exchange Board of India (SEBI) were responsible for reduction in the number of companies accossiong the primary market. Stricter entry norms would ensure that only good companies come into the market.

(c) Important stops taken to revive the market include:

(i) SEBI has introduced stricter entry norms for companies proposing to access, the primary capital market;

(ii) SEBI has reduced the minimum application size to Rs. 200 from 5000 to encourage small investors to subscribe to new issues;

(iii) listing of debt security without listing of equity has been allowed;

(iv) exchanges have been allowed to expand their trading terminals to locations outside their place of operations; and

(v) the first depository, National Securities Depository Limited has been set up for simpler trading in securities.

Exempting Cyclone Relief Goods from Duty

2456. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have recently exempted cyclone relief goods from duty;

(b) whether said decision has helped in getting good response from exporters for relief and rehailitation to these cyclone victims in Andhra Pradesh;

(c) whether Government propose to provide more concession so that more relief comes to the people of Andhra Pradesh who are affected by the cyclone; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir. The Government has issued notification Nos. 2/97-Customs and 1/97-Central Excise both dated 15.1.97 providing full exemption from customs and excise duties to goods imported/manufactured and donated for the relief and rehabilitation of the cyclone affected people of Andhra Pradesh. Both these exemptions are valid upto 30.6.1997.

(b) No data is available in this regard.

(c) and (d) Since the notifications grant full exemption from both customs and excise duties on all goods donated for the relief and rehabilitation of the